



Texas Department of Insurance

Property and Casualty Section – Loss Control Program, Mail Code 103-9A

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OUTLINE OF A MINIMUM PLAN FOR A LOSS CONTROL PROGRAM

A. MANAGEMENT STATEMENT

Just as you would expect your policyholders to have a management committed to *loss control* and the company's safety program, we expect an insurance company to have a management statement and commitment to provide *loss control information/services* to its policyholders. This statement should be directive in nature.

B. GENERAL REQUIREMENTS

1. Large Insurance Companies

- ⇒ Where does *loss control* fit into the company's organizational structure?
- ⇒ Where is the structure of the loss control element at the home office and within regional or branch offices (as they may exist)?
- ⇒ What support does the corporate Loss Control staff provide to regional offices, branch offices or field representatives, i.e., technical bulletins, loss control brochures, safety/loss control posters, training videos, analytical support, etc.?

2. Small Insurance Companies

- ⇒ There may not be a home office loss control element with the depth and capabilities outlined above, however, someone still has to be in charge of loss control. Who is this person, and what are their duties regarding loss control?

3. Procedures

- ⇒ How are policyholders made aware of the availability of *loss control information/services* by the insurance company?
- ⇒ What are the procedures regarding requests by the insured for *loss control information/services*?
- ⇒ How is the **NEED** for loss control, or the appropriate *loss control information/services* determined and implemented? Is it based on **risks, exposures, loss experience and other considerations** as defined in *Title 28, Texas Administrative Code* or possibly other factors, such as *Best's Loss Control Engineering Manual*, results of underwriting surveys or premium thresholds?
- ⇒ What are the procedures for maintaining records of all *loss control information/services* being provided to the policyholder?

C. LOSS CONTROL CONSULTANTS/FIELD REPRESENTATIVES

- ⇒ How are staff loss control personnel qualified; how are they trained; what quality control measures are in effect; what provisions have been made for continuing education and professional development?
- ⇒ Are fee service companies used? If so, with what contractor and how are the qualifications of their loss control servicing personnel verified?
- ⇒ What is the nature/scope of the service expected to be performed by the contractor loss control field personnel?
- ⇒ Whose survey forms will be used (the insurance company's or the contractor's)?
- ⇒ What quality control measures are in effective over contractor work?

D. LOSS CONTROL SURVEYS/CONSULTATIONS

- ⇒ What is the criteria for an initial on-site survey/consultation? Does it involve the nature of the business, exposures, prior loss experience, Best's hazard index, premium amount or other factors?
- ⇒ What is the criteria for a follow-up survey/consultation? Are the same factors taken into consideration as for an *initial* survey/consultation or do others also supply?
- ⇒ What is the criteria/determining factors for placing an account on *regular*, scheduled service?
- ⇒ What information is reviewed by the field representative prior to the survey/consultation?
- ⇒ With whom will the survey/consultation be conducted?
- ⇒ What information may be covered in survey/consultation, i.e.,?
 - Loss control program development or status.
 - Safety committees and meetings
 - Loss control/safety training.
 - Loss control/safety self inspections.
 - Management controls in place and their effectiveness.
 - Accident analysis, accountability, responsibility.
 - Specific hazard exposures and unsafe work procedures.
 - Hazard Communications Act.
 - Compliance with DOT, OSHA, EPA, or other federal agency requirements.
 - Additional loss control services to be provided by your company.

E. RECOMMENDATIONS

- ⇒ How are recommendations and other loss control information presented to the policyholder; verbally during the outbriefing, in writing in a confirmation letter following the visit, or both?
- ⇒ Are recommendations reviewed by the servicing field representative prior to their being forwarded to the policyholder?
- ⇒ Are recommendations directed at management controls which will have a positive effect on major areas of concern for safety and loss prevention and not just the correction of physical hazards?
- ⇒ Is there a follow-up system to track recommendations for compliance?
- ⇒ Are there procedures to follow in the event of policyholder non-compliance with recommendations?

F. SAFETY TRAINING

- ⇒ What types of safety/loss control informational and training materials or equipment are available?
- ⇒ What is your company's policy on providing training, i.e., train the trainer, provide training materials, conduct training, etc.?
- ⇒ When is loss control or safety training offered?
- ⇒ How is training documented?

G. ACCIDENT/CLAIMS ANALYSIS

- ⇒ What is the criteria for initiating analysis of losses?
- ⇒ What is the source of data and how often is it reviewed?
- ⇒ How is analysis data presented to the policyholder, and internally to underwriting, claims, company management?
- ⇒ What information is available for analysis, i.e., frequency, severity, accident type, body part injured, injury cause, etc.?
- ⇒ Are recommendations made as a result of analysis?

Attachment

NOTE: **THE LOSS CONTROL PRESENTATION OUTLINE (attached) should be used as a referral when developing your Loss Control Program. This outline is used as our guide during an actual evaluation of an insurance company's loss control program.**